

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment**  
means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

Fidelity Funds - Sustainable Eurozone Equity Fund

**Legal entity identifier:**

549300BAPCX6D0E0Z219

**Sustainable investment objective**

**Does this financial product have a sustainable investment objective?**

Yes

No

- It will make a minimum of **sustainable investments with an environmental objective:** 38%
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It will make a minimum of **sustainable investments with a social objective:** 20%

- It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- It **promotes E/S characteristics, but will not make any sustainable investments**



## What is the sustainable investment objective of this financial product?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The fund aims to achieve capital growth over the long term by investing in sustainable investments.

The fund determines a sustainable investment as follows:

- (a) issuers that undertake economic activities that contribute to one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or
- (b) issuers whereby the majority of their business activities (more than 50% of revenue) contribute to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals ("SDGs"); or
- (c) issuers which have set a decarbonisation target consistent with a 1.5 degree warming scenario or lower (verified by the Science Based Target Initiative or a Fidelity Proprietary Climate Rating) which would be considered to contribute to environmental objectives; provided they do no significant harm, meet minimum safeguards and good governance criteria.

The investment manager selects issuers based on the contribution of their economic activities to environmental or social objectives which are aligned with the SDGs.

The SDGs are a series of goals published by the United Nations which recognise that ending poverty and other deprivations must go hand-in-hand with improvements in health and education, economic growth, and a reduction in inequalities, all while tackling climate change and working to preserve the planet's oceans and forests. For further details see the UN website: <https://sdgs.un.org/goals>. Environmental focused SDGs include clean water and sanitation; affordable and clean energy; responsible consumption and production; and climate action. Social focused SDGs include no poverty; zero hunger; economic growth and productive employment; industry, innovation and infrastructure; safe and sustainable cities and communities.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

### ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The fund uses the following sustainability indicators in order to measure the sustainable investment objective is met:

- i) the percentage of the fund invested in sustainable investments;
- ii) the percentage of the fund invested in sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;
- iii) the percentage of the fund invested in sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy;
- iv) the percentage of the fund invested in sustainable investments with a social objective; and
- v) the percentage of the fund with exposure to investments that undertake activities that are excluded in accordance with the Exclusions (defined below).

## **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments are screened for involvement in activities that cause significant harm and controversies, assessed through a check that the issuer meets minimum safeguards and standards that relate to principal adverse impacts (PAIs) as well as performance on PAI metrics. This includes:

- Norms-based screens - the screening out of securities identified under Fidelity's existing norms-based screens (as set out below);
- Activity-based screens - the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment, including issuers that are considered to have a 'Very Severe' controversy using controversy screens, covering 1) environmental issues,  
2) human rights and communities,  
3) labour rights and supply chain,  
4) customers,  
5) governance; and
- PAI indicators - quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

As set out above, Fidelity undertakes a quantitative evaluation to identify issuers with challenging performance on PAI indicators. Issuers with a low score will be ineligible to be 'sustainable investments' unless Fidelity's fundamental research determines that the issuer is not breaching "do no significant harm" requirements, or is on the path to mitigate the adverse impacts through effective management or transition.

### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Norms-based screens are applied - issuers identified as failing to behave in a way which meets their fundamental responsibilities in the areas of human rights, labour, environmental and anti-corruption as aligned with international norms including those set out by OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Global Compact (UNG) and the International Labour Organisation (ILO) Conventions, are not considered sustainable investments.



## **Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes  
 No

Consideration of the principal adverse impacts on sustainability factors of investment decisions (referred to as principal adverse impacts) is incorporated through a variety of tools, including:

- (i) *Due Diligence* - analysis of whether impacts on sustainability factors are material and negative.
- (ii) *ESG rating* - Fidelity references ESG ratings which incorporate consideration of material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management and, for sovereign issued securities, ratings used incorporate consideration of material principal adverse impacts such as carbon emissions, social violations and freedom of expression.
- (iii) *Exclusions* - When investing directly in corporate issuers, the fund applies the Exclusions (as defined below) to help mitigate the principal adverse impacts through excluding harmful sectors and prohibiting investment in issuers that breach international standards, such as the UNGC.

(iv) *Engagement* - Fidelity uses engagement as a tool to better understand principal adverse impacts and, in some circumstances, advocate for mitigating the principal adverse impacts. Fidelity participates in relevant individual and collaborative engagements that target a number of principal adverse impacts (i.e. Climate Action 100+, Investors Against Slavery and Trafficking APAC).

(v) *Voting* - Fidelity's voting policy includes explicit minimum standards for board gender diversity and engagement with climate change for corporate issuers. Fidelity may also vote to help mitigate principal adverse impacts.

(vi) *Quarterly reviews* - monitoring of principal adverse impacts through the fund's quarterly review process.

Fidelity takes into account specific indicators for each sustainability factor when considering whether investments have a principal adverse impact. These indicators are subject to data availability and may evolve with improving data quality and availability.

Information on principal adverse impacts will be available in the annual report of the fund.



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investments objectives and risk tolerance.

The fund is part of the Fidelity Sustainable Family of funds and adopts a Sustainable Focused strategy. The fund invests in companies which contribute to environmental or social objectives, do no significant harm, meet minimum safeguards and good governance requirements.

In actively managing the fund, the investment manager identifies investment ideas, relying on a combination of Fidelity's research, third-party research, inputs from quantitative screens and company meetings to help narrow the investment universe. Stock research and selection focuses on assessing the ESG profile, carbon emissions alignment and fundamentals through rigorous bottom-up financial analysis and valuation to select stocks with strong investment return potential.

Key components of the investment strategy are:

(i) Sustainable Investments; A minimum of 80% of the fund's assets will be sustainable investments (as defined above).

(ii) Do No Significant Harm; The fund applies the "do no significant harm" criteria, as set out above, to all direct investments held within the fund.

(iii) Minimum safeguards; The fund excludes direct investments that fail to conduct their business in accordance with accepted international norms, including as set out by OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, UN Global Compact (UNGC) and the International Labour Organisation (ILO) Conventions.

(iv) Good governance; All investee companies in the fund will be screened for controversies, including tax and bribery and corruption screenings.

(v) Exclusions; the investment manager will exclude investments in issuers with an MSCI ESG rating below "BBB" and, in respect of its direct investments, the fund is subject to:

(a) a firm-wide exclusions list, which includes cluster munitions and anti-personnel landmines; and

(b) a principle-based screening policy which includes:

- norms-based screening of issuers which the investment manager considers have failed to conduct their business in accordance with international norms, including as set out in the UNGC; and

- negative screening of certain sectors, companies or practices based on specific ESG criteria where revenue thresholds may be applied.

The investment manager has discretion to implement sustainable requirements and exclusions having regard to their applicable investment process from time to time.

The above exclusions and screens (the "Exclusions") may be updated from time to time. Please refer to the website for further information [Sustainable investing framework \(fidelityinternational.com\)](https://fidelityinternational.com).

(vi) Carbon footprint: The fund aims to have a lower carbon footprint compared to that of the MSCI EMU Index. Carbon footprint is defined as tonnes of CO2 emissions per \$1 million of sales.

In addition to the above, the fund assesses the ESG ratings (either based on external ratings or the Fidelity ESG ratings) of at least 90% of the fund's assets and the fund's investment universe will be reduced by at least 20% due to the exclusion of issuers on the basis of their ESG characteristics.

## **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The fund will invest a minimum of 80% of its assets in sustainable investments of which a minimum of 3% have an environmental objective which is aligned with the EU Taxonomy, a minimum of 35% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 20% have a social objective; provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices.

In attaining the sustainable investment objective, the fund commits to selecting companies whose economic activity contributes to an environmental or social objective aligned with one or more of the SDGs, as described in the investment strategy section above.

In addition to the above, the fund assesses the ESG characteristics of at least 90% of the fund's assets and the fund's investment universe will be reduced by at least 20% due to the exclusion of issuers on the basis of their ESG characteristics

The fund will systematically apply the Exclusions as described above.

## **What is the policy to assess good governance practices of the investee companies?**

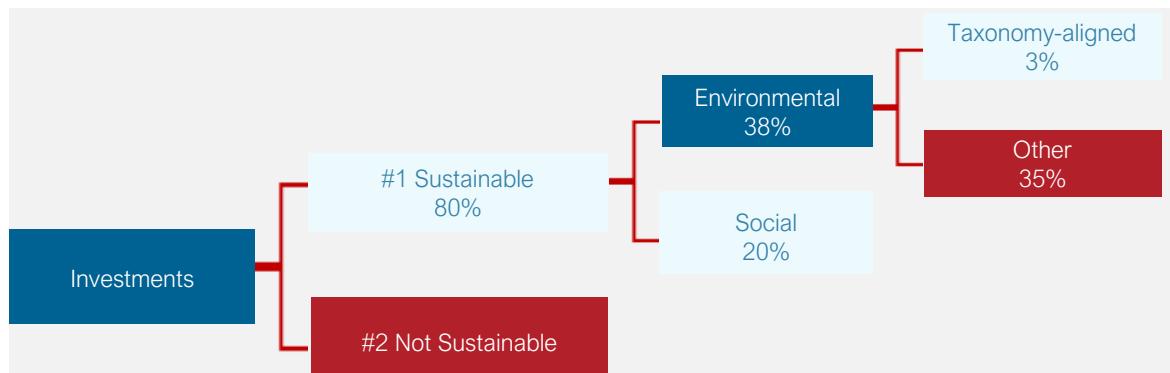
All investee companies will be screened for controversies, including tax, bribery and corruption screenings, to help meet good governance requirements for investee companies. In addition to these screens, governance practices of issuers are assessed using fundamental research.

Key points that are analysed include track record of capital allocation, financial transparency, related party transactions, board independence and size, executive pay, auditors and internal oversight, minority shareholder rights, among other indicators.



## **What is the asset allocation and the minimum share of sustainable investments?**

**(#1 Sustainable)** The fund will invest a minimum of 80% of its assets in sustainable investments of which a minimum of 3% will have an environmental objective which is aligned with the EU Taxonomy, a minimum of 35% will have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 20% will have a social objective. The remaining sustainable investments of the fund may have an environmental or social objective.



**#1 Sustainable** covers sustainable investments with environmental or social objectives

**#2 Not sustainable** includes investments which do not qualify as sustainable investments

## **How does the use of derivatives attain the sustainable investment objective?**

Where the security underlying a derivative is deemed to contribute to the sustainable objective of the fund, the derivative may be used to contribute to the attainment of the sustainable investment objective.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund invests a minimum of 3% in sustainable investments with an environmental objective aligned with the EU Taxonomy.

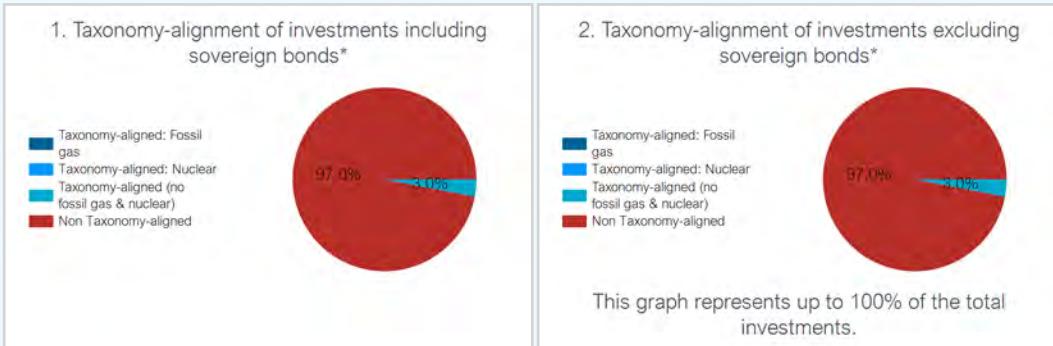
The compliance of the investments of the fund with the EU Taxonomy will not be subject to an assurance by auditors or a review by third parties.

The EU Taxonomy alignment of the underlying investments of the fund is measured by turnover.

### **Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes  
 In fossil gas       In nuclear energy  
 No

*The two graphs below show in dark blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

## **What is the minimum share of investments in transitional and enabling activities?**

The fund invests a minimum of 0% in transitional activities and a minimum of 0% in enabling activities.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund invests a minimum of 35% in sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.

Investments could be aligned with the EU Taxonomy but the investment manager is not currently in a position to specify the exact proportion of the fund's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What is the minimum share of sustainable investments with a social objective?

The fund invests a minimum of 20% in sustainable investments with a social objective.



### What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under “#2 Not sustainable” may include cash, money market instruments, investments used for hedging and efficient portfolio management purposes.

In addition, all direct investments of the fund must adhere to the Exclusions, do no significant harm to environmental or social objectives, have good governance practices and must not affect the delivery of the sustainable investment objective.



### Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

An index has not been designated as a reference benchmark to meet the sustainable investment objective.

**Reference benchmarks**  
are indexes to measure whether the financial product attains the sustainable investment objective.

#### *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

This question is not applicable.

#### *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

This question is not applicable.

#### *How does the designated index differ from a relevant broad market index?*

This question is not applicable.

#### *Where can the methodology used for the calculation of the designated index be found?*

This question is not applicable.



### Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.fidelity.lu/funds/factsheet/LU0238202427/tabc-disclosure#SFDR-disclosure>.

Further information on the methodologies set out herein is available on the website: [Sustainable investing framework \(fidelityinternational.com\)](http://Sustainable investing framework (fidelityinternational.com)).